IN THE

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1964.

No. 270.

REPUBLIC ENGINEERING & MANUFACTURING CO.,
Petitioner,

vs.

MILTON A. MOSKOVITZ, MICRO PRECISION ENGINEERING CO., a Corporation, APEX METAL PRODUCTS CO., a Corporation, and HARRY FRANKEL,
Respondents.

PETITIONER'S REPLY TO RESPONDENTS' OPPOSITION TO PETITION FOR WRIT OF CERTIORARI TO THE ST. LOUIS COURT OF APPEALS.

1. Respondents state on page 1 of the respondent's opposition that this action was one to suppress competition. The St. Louis Court of Appeals held the patent license contract, Plaintiff's Exhibit 2; to be valid (bottom of page 37 of appendix to petition for writ of certiorari).

2. Replying to the statement numbered 6 on pages 2 and 3 of respondent's opposition that the 2 patent applications filed by petitioner on behalf of Moskovitz had been held unpatentable by the Patent Office, such statement is entirely outside of the record in this case as at the time of the trial of the cause the Patent Office had rendered no decision. However, since counsel for respondents have gone outside of the record, petitioner feels compelled in order to refute the statement to also go outside of the record. One application for patent is now in condition for allowance as evidenced by statement from the Patent Office reproduced in the appendix attached hereto. The

other application for patent was rejected and appeal thereon has been taken by petitioner to the Board of Appeals, as evidenced by reproduction thereof in the appendix attached hereto.

3. Replying to respondent's statement on page 4, lines 19-21, that the patent applications "did not qualify under the language of the Agreement" the Court of Appeals opinion held on pages 34 and 35 of the opinion printed in the appendix to the petition for certiorari:

> "But it is apparent that when the parties entered into the agreement they recognized that there might be honest differences of opinion arise between them on the question of patentability, for it is further provided in paragraph 13 that if Moskovitz does not prosecute an application for patent, plaintiff has the right to " " " attempt to procure patents of the United States on such improvements as are thought to be patentable by Licensee " " " "

Therefore, both parties to the contract had the right to file applications for patent on any improvements "honestly and consciously deemed to be patentable". Respondents seem to imply in their opposition that Moskovitz was the only one who had that right, contrary to the opinion of the Court of Appeals.

4. On page 3 of the respondent's opposition, it is stated as to the question raised by the petition that the Court below did not have that issue before it, the Court of Appeals by its own opinion created the question and particularly so when it ignored the rights granted by 66 Stat. 319, 35 U. S. C. 261, Second Paragraph, by holding that plaintiff had no right to an injunction until a patent was granted. The question of the right to an injunction on a pending patent application was never questioned until created by the opinion of the Court of Appeals when by its holding it ignored the existence of the pending patent applications, the very purpose of which was to determine

patentability under the rights given by the aforesaid statute and the concomitant right of the licensee to enforce that right, pending decision of patentability; thus a Federal question of great substance is thereby involved. Practically every patent license contract includes a clause giving licensee the right to further improvements in the defined field and the patent later issued thereon. This is necessary so that the licensed device in question should not be rendered obsolete by future improvements by licensor which could render the patent license valueless to licensee. Otherwise, an agreement which includes future patent applications in its terms would be rendered ineffective for the purpose for which it was executed, whenever a licensor chooses to say that the improvements were unpatentable and could thereby leave a licensee helpless when the licensor manufactured and sold the improved devices for which patent applications were pending, as was done in this case.

The question presented affects every such patent license agreement, and consequently, is a matter of great public interest because undoubtedly there must be hundreds and hundreds of such license contracts which would be affected by this very question and decision.

In the light of its opinion, the St. Louis Court of Appeals in order to protect plaintiff's admitted rights, should have so modified its opinion by affirming the judgment and decree in part and reversing it in part as indicated in its opinion and remanded it to the Circuit Court for further proceedings for subsequent introduction of evidence as to the final determination of the Patent Office on the patentability of the two improvements in question; and with directions to the Circuit Court to thereafter enter a new and final decree and judgment not inconsistent with its opinion and that the judgment and ruling of the St. Louis Court of Appeals shall not be deemed final until the remand and the Circuit Court's action thereon has become

final. Under such an order the rights of all parties to the cause would have been protected. Under a somewhat similar situation the U. S. Court of Appeals for the Ninth Circuit in Jorgen V. Kierluff v. Metropolitan Stevedore Co., 315 Fed. 2d 830, 845, 846, entered a similar order as suggested above. This type of order was suggested to the St. Louis Court of Appeals in plaintiff's memorandum in support of its motion for rehearing, pages 11 and 12 thereof.

Respondents have stated in effect on page 5 of its opposition that this was an exceptional set of circumstances and cited in support Rice v. Sioux City M. P. Cemetery, 349 U. S. 70, 79. That case held that certiorari would not be granted except in cases involving principles, the settlement of which is of importance to the public as distinguished from that of the parties or in which there is a conflict of opinion between the Circuit Courts of Appeals. The instant case is not one of an "exceptional set of circumstances" but is a prime question of importance that affects the public which includes every patent license where future pending patent applications are involved.

This particular question has never been ruled on by the Supreme Court and by reason thereof for the reasons assigned in its petition for certiorari to the St. Louis Court of Appeals it is respectfully prayed that the writ of certiorari be granted.

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AT TO ONLY
THE COMMIS ER OF PATENTS
WAS TON 25, D. C.

U. S. DEPARTMENT OF COMMERCE
PATENT OFFICE
WASHINGTON

All communications regarding this application should give the serial number, date of filing, and name of the applicant

PAPER NO. 30

Gravely, Lieder & Woodruff
705 Olive St.
St. Louis, Mo.

Applicant: Milton A. Moskovitz	
Ser. No. 144,280	MAILED
Filed September 11, 1961	JUN
For BALL JOINT	GROUP 350

Please find below a communication from the EXAMINER in charge of this application.

Commissioner of Patents.

16—68427-6 GPO

APPENDIX

Responsive to amendments filed June 18 and 25, 1963.

Claims 1-15 have been canceled.

Claims 16-17 the only claims remaining in this application appear allowable.

This application appears to be in condition for allowance, however, it is being sent to the Office of the Solicitor for review under Rule 47 as required by 409.03 M.P.E.P.

This action is made FINAL.

AKUNDRAT:cbs

Examiner

IN THE UNITED STATES PATENT OFFICE

Application of	)	
Milton A. Moskovitz	)	
Serial No. 144,278	)	GROUP 350
Filed September 11, 1961	)	APPEAL
For: BALL JOINTS	)	To The Board of Appeals

Hon. Commissioner of Patents

Washington 25, D. C.

Sir:

Appeal is hereby taken from the Final Rejection of January 28, 1964 finally rejecting all of the claims in the above identified application.

The required fee of $25.00 is deposited herewith.

Respectfully Submitted,

GRAVELY, LIEDER & WOODRUFF
Attorneys for Applicant

By

July 16, 1964